

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Pursuant to the authority of Iowa Code section 249A.4, the Department of Human Services amends Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” Iowa Administrative Code.

This amendment changes the unit time and rate definition for a portion of the home- and community-based services (HCBS) waiver services.

Pursuant to direction from the Centers for Medicare and Medicaid Services (CMS) and the Health Insurance Portability and Accountability Act of 1996 (HIPAA), no state Medicaid department can use atypical billing codes. Most of the codes used to bill waiver services to the Iowa Medicaid Enterprise (IME) are atypical and therefore need to be changed to standardized healthcare common procedure coding system (HCPCS) or current procedural terminology (CPT) codes. Those standardized codes have different unit descriptions than those currently used by the IME. The changes to subrule 79.1(2) cause the rates of reimbursement to match the unit definitions of the services. For example, the rate of reimbursement for a service that is now defined as 15 minutes will be expressed as a 15-minute rate instead of as an hourly rate.

This amendment increases rates to meet minimum wage guidelines for senior companion services from \$6.59 to \$7.25 per hour.

This amendment also implements changes needed to align reimbursement with new billing code definitions caused by atypical conversion. Existing unit rates were mathematically adjusted to match the new unit rate (i.e., an hourly rate was divided by 4 to create a 15-minute rate).

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 0568C** on January 23, 2013. The Notice was a companion to the Notice of Intended Action to amend Chapter 78 that was published as **ARC 0567C** on the same date (see Adopted and Filed **ARC 0707C** herein).

The Department received two responses from interested parties.

The first respondent shared a concern that whenever the unit of service time is reduced, there is more overhead to track and more data to maintain, which is the reason why a day of service is less expensive than two half days, two half days are less expensive than six hours, and six hours are less expensive than 24 quarter hours. Using the six-hour-day assumption, the hourly cost for prevocational services would be \$8.20 per hour. In actuality, the cost is \$13.47, which is more than 64 percent higher. Given the premise that four 15-minute units will take more clock time to provide and cost more to document than one consecutive hour of time, the respondent suggested adding 20 percent to 30 percent to the 15-minute rates calculated from hourly rates.

The Department’s response is that the mandate from CMS was that each state Medicaid program is required to use only nationally standardized billing codes. For most of the codes used in HCBS services, the only nationally standardized code available for use is defined as 15 minutes. The IME does not have the authority to alter the time frame definition of a standardized code.

The direction from CMS is clear in regard to the use of shorter time frames: The service definition time should be more narrowly defined in order to more closely match the time of service provision to the time paid by Medicaid. Previously, if a service was defined as an hour, any portion of that hour (no matter how small or large) was billed as an hour. So if a provider gave 13 minutes of service, then a full hour was paid. Under the new code definitions, if 13 minutes of service was provided, then only 15 minutes is paid.

Each provider is already responsible for tracking the start and end times of service provision as required by rule 441—79.3(249A). Adherence to the adopted amendment does not require that a provider watch the clock continuously during the time of service provision, but to be aware of when service started and stopped. The IME is not requiring more documentation for these new code definitions as some assume. The documentation created for the service should substantiate the entire time span of that service. There is no need to document each 15 minutes separately; nor has

any such need been communicated by the IME to any provider that has asked for clarification. One documentation narrative has been, and will continue to be, used for each episode of service provision. No changes to the amendment were made as the result of this comment.

The second respondent stated that the \$5.15 reimbursement per unit of service (15 minutes) is low; considering that the elderly waiver cap is \$1,300 per month, the 15-minute unit of service reimbursement should be in the \$5.90 range.

The Department's response is that all consumer-directed attendant care (CDAC) services are moving to a 15-minute unit of service; this includes individual, agency and assisted living. Assisted living CDAC service is undergoing a major revision, from one unit for a maximum of \$1,139 per month to a 15-minute unit of service, with a corresponding 15-minute rate. The adopted amendment sets the maximum payment rate for assisted living CDAC providers to be equal to that of agency CDAC providers, which is \$5.15 per 15-minute unit. Agency CDAC providers currently provide an hourly unit of service for a maximum payment of \$20.60 per hour; this is the same as \$5.15 per 15-minute unit. CDAC services are the same regardless of what type of CDAC provider supplies the services; therefore it is consistent that agency and assisted living CDAC providers be paid at the same unit rate. No changes to the amendment were made as the result of this comment.

This amendment is identical to that published under Notice of Intended Action.

The Council on Human Services adopted this amendment on April 10, 2013.

This amendment does not provide for waivers in specified situations because CMS has not indicated that any state can be exempt from the guidelines described herein. The Department does not see any reason why any provider type would be exempt from adherence to CMS guidelines. Requests for the waiver of any rule may be submitted under the Department's general rule on exceptions at 441—1.8(17A,217).

After analysis and review of this rule making, no impact on jobs has been found.

This amendment is intended to implement Iowa Code section 249A.4.

This amendment will become effective July 1, 2013.

The following amendment is adopted.

Amend subrule **79.1(2)**, provider category "HCBS waiver service providers," paragraphs "1," "4," "7," "11," "12," "14" to "16," "22" and "29," as follows:

Provider category	Basis of reimbursement	Upper limit
1. Adult day care	Fee schedule	For Effective 7/1/13, for AIDS/HIV, brain injury, elderly, and ill and handicapped waivers effective 1/1/13: Provider's rate in effect 6/30/12 plus 2%, <u>converted to a</u> <u>15-minute, half-day, full-day, or</u> <u>extended-day rate.</u> If no 6/30/12 rate: Veterans Administration contract rate or \$1.41 <u>per</u> <u>15-minute unit,</u> \$22.56 <u>per</u> <u>half day,</u> \$44.91 <u>per full day,</u> or \$67.35 <u>per extended day</u> if no Veterans Administration contract.

Provider category	Basis of reimbursement	Upper limit
		For Effective 7/1/13, for intellectual disability waiver: County contract rate or, effective 1/1/13 in the absence of a contract rate, provider's rate in effect 6/30/12 plus 2%, converted to a 15-minute, half-day, full-day, or extended-day rate. If no 6/30/12 rate, \$1.88 per 15-minute unit, \$30.06 per half day, \$60.00 per full day, or \$76.50 per extended day.
4. Homemakers	Fee schedule	Effective 4/1/13 7/1/13, provider's rate in effect 6/30/12 plus 2%, converted to a 15-minute rate. If no 6/30/12 rate: \$20.21 per hour \$5.05 per 15-minute unit.
7. Chore service	Fee schedule	Effective 4/1/13 7/1/13, provider's rate in effect 6/30/12 plus 2%, converted to a 15-minute rate. If no 6/30/12 rate: \$7.86 per half hour \$3.93 per 15-minute unit.
11. Transportation	Fee schedule	Effective 4/1/13 7/1/13: County contract rate or, in the absence of a contract rate, provider's rate in effect 6/30/12 plus 2%, converted to a mile or one-way trip unit rate.
12. Nutritional counseling	Fee schedule	Effective 4/1/13 7/1/13 for non-county contract: Provider's rate in effect 6/30/12 plus 2%, converted to a 15-minute rate. If no 6/30/12 rate: \$8.42 per 15-minute unit.
14. Senior companion	Fee schedule	Effective 4/1/13 7/1/13 for non-county contract: Provider's rate in effect 6/30/12 plus 2%, converted to a 15-minute rate. If no 6/30/12 rate: \$6.72 per hour \$1.82 per 15-minute unit.
15. Consumer-directed attendant care provided by:		
Agency (other than an elderly waiver assisted living program)	Fee agreed upon by member and provider	Effective 4/1/13 7/1/13, provider's rate in effect 6/30/12 plus 2%, converted to a 15-minute rate. If no 6/30/12 rate: \$20.60 per hour \$5.15 per 15-minute unit, not to exceed \$119.05 per day.

Provider category	Basis of reimbursement	Upper limit
Assisted living program (for elderly waiver only)	Fee agreed upon by member and provider	Effective 4/1/13 7/1/13, provider's rate in effect 6/30/12 plus 2%, converted to a 15-minute rate. If no 6/30/12 rate: \$1,139.34 per calendar month. When prorated per day for a partial month, \$37.44 per day \$5.15 per 15-minute unit, not to exceed \$119.05 per day.
Individual	Fee agreed upon by member and provider	Effective 4/1/13 7/1/13, \$13.74 per hour \$3.44 per 15-minute unit, not to exceed \$80.13 per day.
16. Counseling		
Individual:	Fee schedule	Effective 4/1/13 7/1/13, provider's rate in effect 6/30/12 plus 2%, converted to a 15-minute rate. If no 6/30/12 rate: \$11.01 per 15-minute unit.
Group:	Fee schedule	Effective 4/1/13 7/1/13, provider's rate in effect 6/30/12 plus 2%, converted to a 15-minute rate. If no 6/30/12 rate: \$44.00 per hour \$11.00 per 15-minute unit. Rate is divided by six, or, if the number of persons who comprise the group exceeds six, the actual number of persons who comprise the group.
22. Family counseling and training	Fee schedule	Effective 4/1/13 7/1/13, provider's rate in effect 6/30/12 plus 2%, converted to a 15-minute rate. If no 6/30/12 rate: \$44.00 per hour \$11.00 per 15-minute unit.
29. In-home family therapy	Fee schedule	Effective 4/1/13 7/1/13, provider's rate in effect 6/30/12 plus 2%, converted to a 15-minute rate. If no 6/30/12 rate: \$95.50 per hour \$23.88 per 15-minute unit.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 5/1/13.